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Sustainable Forest Holdings Limited

永保林業控股有限公司*

(Incorporated in Bermuda with limited liability)

(Stock Code: 723)

RE-DESIGNATION OF EXECUTIVE DIRECTOR AND APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board hereby announces that:

- (1) Mr. Leung Siu Hung, Joel, an Independent Non-executive Director prior to such re-designation, has been re-designated as an Executive Director and has resigned as a member of each of the Remuneration Committee and the Audit Committee all with effect from 4 November 2011; and
- (2) Mr. Donald Smith Worthley has been appointed as an Independent Non-executive Director and a member of each of the Remuneration Committee and the Audit Committee all with effect from 4 November 2011.

RE-DESIGNATION OF EXECUTIVE DIRECTOR

The board of director (“**Board**”) of Sustainable Forest Holdings Limited (“**Company**”, together with its subsidiaries, “**Group**”) is pleased to announce that Mr. Leung Siu Hung, Joel (“**Mr. Leung**”), an independent non-executive director (“**Independent Non-executive Director**”) of the Company prior to such re-designation, has been re-designated as an executive director (“**Executive Director**”) of the Company and has resigned as a member of each of the remuneration committee (“**Remuneration Committee**”) and the audit committee (“**Audit Committee**”) of the Board all with effect from 4 November 2011.

Mr. Leung Siu Hung, Joel, aged 47, joined the Group as an Independent Non-executive Director in August 2009. Mr. Leung graduated from the University of London, University of Hong Kong, Chinese University of Hong Kong, Beijing Normal University and China University of Political Science and Law with a Bachelor’s degree in Economics & Accounting, Master’s degree in Urban Planning, Chinese Business Law and double Doctor’s qualification in Finance and Laws respectively. Mr. Leung is a Royal Chartered Town Planner, Fellow of American Academy of Financial Management, Chartered Risk Analyst,

* For identification purpose only

Chartered Asset Manager and Chartered Trust & Estate Planner. He is also serving as a senior town planner in China City Development Institute. Mr. Leung has over 11 years of professional experience in law enforcement agencies, such as Hong Kong Police Force, Correctional Services Department and Equal Opportunities Commission where he was mainly responsible for investigation and operational work. Mr. Leung is currently the principal financial planner and financial planning director of Prudential Assurance Co Ltd, a company listed on the Main Board of the London, New York, Hong Kong and Singapore Stock Exchanges.

Mr. Leung has entered into a service agreement with the Group regarding his re-designation as an Executive Director for a term of 3 years commencing from 4 November 2011, subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the bye-laws of the Company. The service agreement may be terminated by either party by giving one month's prior written notice or payment in lieu. Mr. Leung will be entitled to a director's fee of HK\$600,000 per annum which was determined with reference to his experiences and responsibilities with the Company, the remuneration benchmarks in the industry and the prevailing market situation. Other than being an Independent Non-executive Director of the Company. Mr. Leung did not hold any directorships in any other publicly listed companies in the last three years and does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. Leung was entitled to share options to subscribe for a maximum of 2,042,171 ordinary shares ("**Shares**") of the Company having a par value of HK\$0.0533 each upon exercise of the options in full. Other than disclosed above, Mr. Leung did not have any interests in the shares of the Company within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) ("**SFO**"). Save as disclosed in this announcement, regarding the re-designation of Mr. Leung, the Board is not aware of any other information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Rules ("**Listing Rules**") Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited or any other matters that need to be brought to the attention of the shareholders of the Company.

APPOINTMENT OF INDEPENDENT NON-EXECUTIVE DIRECTOR

The Board also announces that Mr. Donald Smith Worthley ("**Mr. Worthley**") has been appointed as an Independent Non-executive Director and a member of each of the Remuneration Committee and the Audit Committee all with effect from 4 November 2011.

Mr. Donald Smith Worthley, aged 61, holds a Bachelor's degree of Business Administration majoring in Finance from St. Bonaventure University and an advanced educational degree from the Wharton School of the University of Pennsylvania. Mr. Worthley has over 30 years of experience in providing advice and consultation concerning strategic planning, asset management and corporate governance. He is the principal and general manager of a private company specializing in offering capital and asset planning and advices to corporates. Prior to forming his own company, Mr. Worthley held senior management positions with various reinsurance companies, including as senior vice president of General Reinsurance Corporation and Arthur J. Gallagher Intermediaries, Inc.

Mr. Worthley has entered into an appointment letter with the Group regarding his appointment as an Independent Non-executive Director for a term of 3 years commencing from 4 November 2011, subject to retirement by rotation and re-election at annual general meeting of the Company at least once every three years in accordance with the bye-laws of the Company. The appointment letter may be terminated by either party by giving one month's prior written notice or payment in lieu. Mr. Worthley will be entitled to a director's fee of HK\$150,000 per annum which was determined with reference to his experiences and responsibilities with the Company, the remuneration benchmarks in the industry and the prevailing market situation. Mr. Worthley did not hold any directorships in any other publicly listed companies in the last three years and does not have any relationship with any other directors, senior management or substantial or controlling shareholders of the Company.

As at the date of this announcement, Mr. Worthley held 81,785,711 preference shares of the Company carrying rights to convert into 15,334,820 Shares (representing approximately 0.24% of the total issued share capital of the Company as at the date of this announcement). Other than disclosed above, Mr. Worthley did not have any interests in the shares of the Company within the meaning of Part XV of the SFO. Save as disclosed in this announcement, regarding the appointment of Mr. Worthley, the Board is not aware of any other information that is required to be disclosed pursuant to paragraphs (h) to (v) of Rule 13.51(2) of the Listing Rules or any other matters that need to be brought to the attention of the shareholders of the Company.

The Board would like to take this opportunity to welcome Mr. Leung and Mr. Worthley to join the Board as an Executive Director and an Independent Non-executive Director respectively.

By order of the Board
Sustainable Forest Holdings Limited
Loh Jiah Yee, Katherine
Chairman

Hong Kong, 4 November 2011

As at the date of this announcement, the Board comprises Ms. Loh Jiah Yee, Katherine, Ms. Fletcher Yurk Nam, Sandy, Mr. Shih Chiu, David, Mr. Li Zhixiong and Mr. Leung Siu Hung, Joel as executive directors; Mr. Leung Chau Ping, Paul as non-executive director; and Mr. John Tewksbury Banigan, Mr. Keung Paul Hinsum and Mr. Donald Smith Worthley as independent non-executive directors.